

APPENDIX TO THE NOTICE OF AGM DATED 14 JULY 2023

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBTS AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is issued to the Shareholders the Company, together with the 2023 Annual Report. Its purpose is to provide Shareholders with the rationale and relevant information for the Proposed Change of Auditors to be tabled at the 2023 AGM of the Company to be held wholly by physical means on Monday, 31 July 2023 at 9:30 a.m. The Notice of the AGM and the proxy form are enclosed with the 2023 Annual Report.

If you have sold or transferred all your ordinary shares (the “**Shares**”) in the capital of the Company held through the CDP, you need not forward this Appendix to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Appendix, the Notice of AGM and the accompanying Proxy Form immediately to the purchaser or the transferee, or to the bank, stockbroker or agent through whom you effected the sale or the transfer, for onward transmission to the purchaser or the transferee.

Unless otherwise defined, capitalised terms appearing on the cover of this Appendix bear the same meanings ascribed to them in the section entitled “Definitions” of this Appendix.

*This Appendix has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).*

*It has not been examined or approved by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.*

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199407135Z)

APPENDIX TO THE NOTICE OF AGM

IN RELATION TO

**PROPOSED CHANGE OF AUDITORS FROM CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION
TO MOORE STEPHENS LLP**

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DEFINITION

In this Appendix, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

<i>“2023 AGM”</i>	:	The annual general meeting of the Company to be held on 31 July 2023 at 9.30 a.m., notice of which is enclosed in the 2023 Annual Report
<i>“2023 Annual Report”</i>	:	Annual report of the Company for the FY ended 31 March 2023
<i>“ACRA”</i>	:	The Accounting and Corporate Regulatory Authority of Singapore
<i>“AGM” or “Annual General Meeting”</i>	:	The annual general meeting of the Company
<i>“Appendix”</i>	:	This appendix to the Notice of AGM dated 14 July 2023
<i>“Audit Committee”</i>	:	The audit committee of the Company for the time being
<i>“Auditors”</i>	:	The external auditors of the Company
<i>“Board”</i>	:	The board of Directors of the Company for the time being
<i>“Catalist Rules”</i>	:	The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended or modified from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Companies Act”</i>	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<i>“Company”</i>	:	Arion Entertainment Singapore Limited
<i>“CPF”</i>	:	Central Provident Fund Investment Scheme
<i>“Director(s)”</i>	:	The director(s) of the Company for the time being
<i>“FY”</i>	:	Financial year
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Notice of AGM”</i>	:	The notice of the AGM dated 14 July 2023 attached to the Annual Report
<i>“Proposed Change of Auditors”</i>	:	The proposed change of Auditors from CLA Global TS Public Accounting Corporation to Moore Stephens LLP
<i>“Proxy Form”</i>	:	The proxy form accompanying the Notice of the 2023 AGM

DEFINITION

“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGXNet”	:	The online announcement platform hosted by SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Shareholders”	:	Registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with Shares.
“Singapore”	:	The Republic of Singapore
“SRS”	:	Supplementary Retirement Scheme
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the issued voting Shares in the Company
“%”	:	Per centum or percentage

Depositor, Depository Agent and Depository Register. The terms “*Depositor*”, “*Depository Agent*” and “*Depository Register*” shall have the same meanings ascribed to them respectively in Section 81SF of SFA.

Subsidiary. The term “*subsidiary*” shall have the same meanings ascribed to them in the Catalist Rules and the Companies Act, as the case may be.

Gender. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Statutes. Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, SFA, the Catalist Rules, or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, SFA, the Catalist Rules, or any modification thereof, as the case may be, unless the context requires otherwise.

Shares. Any reference in this Appendix to Shares being allotted to a person includes allotment to CDP for the account of that person.

Time and Date. Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Rounding. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS OF THE COMPANY

ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199407135Z)

Directors

Mr. Ng Kai Man (Executive Director)
Mr. Chou Kou Seng (Independent Non-Executive Director)
Mr. Kesavan Nair (Independent Non-Executive Director)
Mr. Lee Keng Mun (Independent Non-Executive Director)
Mr. Yeo Kan Yen (Independent Non-Executive Director)
Mr. Heng Victor Ja Wei (Independent Non-Executive Director)
Ms. Peng Lei Qing (Independent Non-Executive Director)

Registered Office:

138 Robinson Road,
#26-03, Oxley Tower,
Singapore 068906

14 July 2023

To: The Shareholders of the Company

Dear Sir/Madam,

PROPOSED CHANGE OF AUDITORS FROM CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION TO MOORE STEPHENS LLP

1. INTRODUCTION

The Board refers to the proposed Ordinary Resolution 7 set out in the Notice of AGM relating to the Proposed Change of Auditors.

The purpose of this Appendix is to provide Shareholders with the relevant information relating to the Proposed Change of Auditors and to seek Shareholders' approval for the same at the 2023 AGM to be held at The National University of Singapore Society ("NUS") on Monday, 31 July 2023 at 9.30 a.m. The Notice of 2023 AGM is set out on pages 124 to 132 of the Annual Report.

Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any statements or opinions made, or reports contained in this Appendix. Shareholders who have any doubt as to the action they should take, should consult their stockbrokers or other professional advisors immediately.

2. THE PROPOSED CHANGE OF AUDITORS FROM CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION TO MOORE STEPHENS LLP

2.1. Background and Rationale

CLA Global TS Public Accounting Corporation ("**CLA Global TS**") was appointed as the independent Auditors on 29 August 2008 and was re-appointed as the Auditors at the last AGM of the Company for the financial year ended 31 March 2022. The latest appointment of CLA Global TS as Auditors will expire upon the conclusion of the AGM for financial year ended 31 March 2023. CLA Global TS will retire and not seek re-appointment as auditors of the Company at the 2023 AGM, being the end of their current term.

LETTER TO SHAREHOLDERS OF THE COMPANY

In the interest of good corporate governance, the Board is of the view that it would be timely and appropriate to appoint a new firm of Auditors for the current financial year ending 31 March 2024, subject to the approval of the Shareholders by ordinary resolution at the forthcoming 2023 AGM.

The Board, having reviewed and deliberated on the suitability of several audit firms, and in consultation with the Audit Committee, has nominated and recommended Moore Stephens LLP to replace CLA Global TS as the Auditors.

In particular, Moore Stephens LLP was selected amongst various other audit firms which provided proposals to the Company, after taking into account, *inter alia*, the adequacy of the resources and experience, the background and expertise of the audit engagement partner assigned to the audit, the other audit engagements of Moore Stephens LLP, the Group's audit requirements and the number and experience of supervisory and professional staff to be assigned to the audit. The Board and the Audit Committee have also considered the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of the proposed appointment, and are of the opinion that Moore Stephens LLP will be able to fulfil the audit requirements of the Company and the Group to uphold the standard and effectiveness of the audit of the Company and the Group.

Based on the Group's current structure, there will be no change in the scope of audit for Moore Stephens LLP for the financial year ending 31 March 2024 compared to the scope of audit for CLA Global TS for the financial year ended 31 March 2023.

2.2. Requirements under Rule 712 of the Catalist Rules

In connection with Rule 712(3) of the Catalist Rules:

- (a) CLA Global TS has confirmed by way of its letter dated 30 June 2023 to Moore Stephens LLP that they are not aware of any professional reasons why Moore Stephens LLP, being the new Auditors, should not accept appointment as Auditors;
- (b) the Company confirms that there were no disagreements with CLA Global TS, being the outgoing Auditors, on accounting treatments within the last twelve (12) months up to the date of their resignation, being 5 July 2023;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Appendix;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Section 2.1 of this Appendix and that the Proposed Change of Auditors is not due to the dismissal or resignation of CLA Global TS, or CLA Global TS declining to continue to serve as Auditors, or was CLA Global TS dismissed or directed by the SGX-ST to be replaced under Rule 305(1)(e)(b) of the Catalist Rules;
- (e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Catalist Rules in relation to the appointment of Moore Stephens LLP as its new Auditors; and
- (f) there is no need for the appointment of an additional auditing firm to meet the Exchange's requirements in Rule 712(2A).

Moore Stephens LLP has given its consent to act as Auditors by way of a letter dated 30 June 2023, subject to the approval of Shareholders being obtained at the 2023 AGM.

LETTER TO SHAREHOLDERS OF THE COMPANY

Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the appointment of Moore Stephens LLP as the Auditors in place of CLA Global TS must be specifically approved by Shareholders at a general meeting. The appointment of Moore Stephens LLP would therefore take effect upon the approval of the same by Shareholders at the forthcoming 2023 AGM. Upon the appointment, Moore Stephens LLP will hold office until the conclusion of the next AGM of the Company.

2.3. Information on Moore Stephens LLP and Audit Engagement Partner

The information on Moore Stephens LLP and the audit engagement partner below was provided to the Company by Moore Stephens LLP. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

(a) Moore Stephens LLP

Moore Stephens LLP has been established in Singapore for more than thirty (30) years. Since then, they have grown, together with their associate firms, to a leading accountancy and consulting association with approximately 200 partners and professional staff.

Moore Stephens LLP is a member firm of Moore Global Network Limited, which is regarded as one of the world's leading accounting and consulting associations with approximately 522 offices in 112 countries and more than 29,000 partners and professionals.

Moore Stephens LLP provides services to a diverse range of clients, from large corporations, listed companies to private businesses, entrepreneurs and individuals across a broad array of industry sectors. They are Chartered Accountants of Singapore registered with ACRA and approved under the Accountants Act 2004 of Singapore (as amended, modified or supplemented from time to time) and thus have fulfilled the requirements imposed by Rule 712(2) of the Catalist Rules.

For more information on Moore Stephens LLP, please visit <https://www.mooresingapore.com>.

(b) Audit Engagement Partner

The designated audit engagement partner who will be in charge of the audit of the Company is Lao Mei Leng (“**Ms. Lao**”). Ms. Lao is a practising member of the Institute of Singapore Chartered Accountants and a public accountant registered with ACRA. She is also a member of the Singapore Institute of Directors and is the Head of Sustainability and Governance in Moore Stephens LLP of Singapore. She has over twenty-five (25) years' experience in public accounting in Singapore and extensive experience in auditing several companies listed on the SGX-ST with operations in various geographical locations including Australia, the Republic of Indonesia, PRC and Singapore. Her clients include a wide range of public-listed and private companies from diverse industries including commodities trading, food & beverage, hospitality, heavy engineering/construction, industrial automation, real estate, money lending, advertising/media, shipping and transportation amongst others.

Ms. Lao has passed the Practice Monitoring Programme review conducted by ACRA in 2022.

LETTER TO SHAREHOLDERS OF THE COMPANY

2.4. Compliance with Rules 712(1) and 712(2) of the Catalist Rules

The Audit Committee, having reviewed and deliberated on the Proposed Change of Auditors, has recommended Moore Stephens LLP to the Board for approval, after taking into consideration the suitability of the new Auditor. The Board, having taken into account the Audit Committee's recommendation, and various factors including, *inter alia*, the following:

- (a) the adequacy of the resources and experience of Moore Stephens LLP;
- (b) the experience of the audit engagement partner assigned to the audit of the Group;
- (c) Moore Stephens LLP's other audit engagements;
- (d) the size and complexity of the Group;
- (e) the number and experience of the supervisory and professional staff who will be assigned to the audit of the Group; and
- (f) that both Moore Stephens LLP and Ms. Lao are registered with ACRA,

is of the opinion that Moore Stephens LLP will be able to meet the audit requirements of the Group and that Rules 712(1) and 712(2) of the Catalist Rules have been complied with.

2.5. Compliance with Rule 715 of the Catalist Rules

Following the Shareholders' approval of the Proposed Change of Auditors, Moore Stephens LLP will be the Auditors of the Company and the Company's subsidiaries that may be incorporated in Singapore.¹ The Company's subsidiaries and associated companies incorporated in Hong Kong and PRC will be audited by Moore Stephens CPA Limited of Hong Kong, which is a member firm of Moore Global Network Limited.

Accordingly, the Board confirms that Rule 715 of the Catalist Rules will be complied with.

2.6. Compliance with Rule 717 of the Catalist Rules

Following the Shareholders' approval of the Proposed Change of Auditors, the Company will accordingly disclose the names of the auditing firm(s) for the Company, its subsidiaries, and associated companies in its annual report to be published at the next AGM for financial year ending 31 March 2024.

3. NOMINATION NOTICE

Pursuant to Section 205 of the Companies Act, the Directors confirmed that a notice of nomination for the proposed new Auditors dated 28 June 2023 has been received by the Company.

¹ As at the date of this Appendix, the Company does not have any Singapore subsidiary.

LETTER TO SHAREHOLDERS OF THE COMPANY

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the issued share capital of the Company as at 14 July 2023, as recorded in the register of Directors' shareholdings and the register of substantial Shareholders kept by the Company, were as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	%
Director				
Chou Kong Seng	600,000	0.06	-	-
Kesavan Nair	300,000	0.03	-	-
Substantial Shareholder				
Landford Holding Pte. Ltd.	169,500,000	15.56	-	-
Chen Jiantao ⁽²⁾	-	-	169,500,000	15.56
Cheung Shui Sheung Ivy	59,080,600	5.42	-	-
Dong Ling Electrical Group Co., Ltd	193,799,000	17.79	-	-
Ever Sino Industrial Ltd ⁽³⁾	-	-	193,799,000	17.79
Guangdong Donglim Kitchen Group Co. Ltd. ⁽³⁾	-	-	193,799,000	17.79
Guo Jiangang ⁽³⁾	-	-	193,799,000	17.79
Guo Jianqiang ⁽³⁾	-	-	193,799,000	17.79
Xinlong Investment Holding Limited	155,555,555	14.28	-	-
Xinlong Development Limited ⁽⁴⁾	-	-	155,555,555	14.28
Yang Ran ⁽⁴⁾	-	-	155,555,555	14.28

Notes:

- (1) Percentage of shareholding is calculated based on 1,089,507,148 Shares.
- (2) Mr. Chen Jiantao is deemed interested in 169,500,000 Shares held by Landford Holding Pte. Ltd., by virtue of Section 7 of the Companies Act.
- (3) The following entities/individuals are deemed interested in 193,799,000 Shares held by Dong Ling Electrical Group Co., Ltd, by virtue of Section 7 of the Companies Act:
 - (a) Ever Sino Industrial Ltd.;
 - (b) Guangdong Donglim Kitchen Group Co. Ltd.;
 - (c) Mr. Guo Jiangang; and
 - (d) Mr. Guo Jianqiang.
- (4) The following entity/individual are deemed interested in 155,555,555 Shares held by Xinlong Investment Holding Limited, by virtue of Section 7 of the Companies Act:
 - (a) Xinlong Development Limited; and
 - (b) Mr. Yang Ran.

None of the Directors or substantial Shareholders have any interest, whether direct or indirect (other than through their respective shareholding interests in the Company) in the Proposed Change of Auditors.

LETTER TO SHAREHOLDERS OF THE COMPANY

5. AUDIT COMMITTEE'S RECOMMENDATION

The Audit Committee has reviewed and deliberated on the Proposed Change of Auditors and recommended the appointment of Moore Stephens LLP as the Auditors in place of CLA Global TS, after taking into account the suitability and independence of Moore Stephens LLP to meet the audit requirements of the Group, the various factors set out in Section 2 of this Appendix and compliance with the requirements of the Catalist Rules.

6. DIRECTORS' RECOMMENDATION

Having considered and reviewed, *inter alia*, the adequacy of the resources, experience and reputation of Moore Stephens LLP, the rationale for and benefits of the Proposed Change of Auditors, the recommendation of the Audit Committee and all the other relevant information as set out in this Appendix, the Directors are of the view that the Proposed Change of Auditors is in the best interests of the Company and its Shareholders, and they accordingly recommend that Shareholders vote in favour of the Ordinary Resolution 7 with respect to the Proposed Change of Auditors as set out in the Notice of AGM.

7. ANNUAL GENERAL MEETING

The 2023 AGM, notice of which set out on in the Annual Report, will be held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, #02-401/402, Suntec Tower 5, Singapore 038983 on Monday, 31 July 2023 at 9.30 a.m. (for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution 7 relating to the Proposed Change of Auditors set out in the Notice of AGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and wish to appoint a proxy (including appointing the Chairman as the proxy) to attend and vote at the AGM on their behalf, should complete, sign and return the Proxy Form attached to the Annual Report.

Please refer to the Notice of AGM set out on pages 124 to 132 of the Annual Report for further details.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposal Change of Auditors, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

LETTER TO SHAREHOLDERS OF THE COMPANY

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 138 Robinson Road, #26-03 Oxley Tower, Singapore 068906, during normal business hours, for three (3) months from the date of this Appendix:

- (a) The 2023 Annual Report;
- (b) the Constitution of the Company;
- (c) the professional clearance letter dated 30 June 2023 issued by CLA Global TS to Moore Stephens LLP referred to in Section 2.2 of this Appendix; and
- (d) the letter of consent to act as the Auditors from Moore Stephens LLP dated 30 June 2023.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to ir@egl.com.sg to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect the documents accordingly.

Yours faithfully,

For and on behalf of the Board of Directors of
Arion Entertainment Singapore Limited

Ng Kai Man
Executive Director

14 July 2023

